



## OUR PURPOSE

ORS is an innovative retirement organization driven to empower our customers for a **successful** today and a **secure** tomorrow.



I am Kerrie Vanden Bosch, the director of the State of Michigan's Office of Retirement Services, an agency within the Department of Technology, Management and Budget. I am proud of the service and benefits we provide to the citizens of Michigan, and this booklet will help you understand the value we bring to the State of Michigan.

At ORS, we provide retirement and related retiree healthcare plans to help more than 800 Michigan employers attract, retain, and reward a highly qualified workforce. This includes the valuable teachers and staff who educate and care for our children every day and the Michigan State Police officers who protect our communities. We also serve our hard-working State of Michigan employees, judges, Michigan National Guard, and Michigan legislators.

I am especially proud that we're able to provide these benefits cost-effectively while achieving high customer satisfaction scores. In 2016, our total defined benefit pension administration cost was \$56 per active member and retiree. This was \$36 below the peer average of \$92 (CEM Benchmarking). In that same year, 89% of our customers reported that they were satisfied with our service.

If you have any questions or feedback after reviewing this booklet, please let me know!

*Kerrie L. Vanden Bosch*

## ORS HIGHLIGHTS

### RANKING

**18th** largest public pension system in US  
**24th** largest pension system in US  
**48th** largest pension system in the world

### ASSETS

**\$74.1B**  
all systems  
Defined Benefit (DB), Hybrid, Defined Contribution (DC) and retiree healthcare

### MEMBERS

**550,000**  
all systems

### PAID IN '16

**\$7.3B**  
in pension and healthcare benefits

# ORS PLANS SUPPORT THE **STATE OF MICHIGAN**

## Organizations in Michigan

Organizations throughout Michigan benefit from our retirement systems. Public schools use the benefits we offer as a way to attract, retain, and reward quality employees, and hospitals receive revenue as they serve our retirees. In Michigan we support:

**701** Public Schools

**152** Hospitals

A total of **\$18,643,918,000** was at work in the State of Michigan last year, thanks to the pension and retiree healthcare plans administered by ORS.







# WHO WE SERVE

**We serve one out of every nine Michigan households** and nearly 800 employers across the state.

## Our Members

We serve more than 550,000 active members and retirees. More than 80 percent of our plan membership is composed of public school employees and retirees.

|  | Active* | Retired |
|--|---------|---------|
| <b>Public School Employees</b><br>K-12 public school and intermediate districts, district libraries, public school academies and charter schools, tax-supported community colleges, and seven universities | 217,581 | 211,007 |
| <b>State Employees</b><br>Civil service employees, appointed officials in the executive branch, legislative and judiciary staff  | 50,288  | 59,038  |
| <b>State Police</b><br>All sworn, enlisted officers  | 1,688   | 3,018   |
| <b>Judges</b><br>All judges, Governor, Lieutenant Governor, Secretary of State, Attorney General, Legislative Auditor General, Constitutional Court Administrator  | 652     | 547     |
| <b>Military</b><br>Served in the Michigan National Guard (Army or Air)   | 10,047  | 4,248   |
| <b>Legislature</b><br>Elected Michigan Senators and Representatives in the Defined Contribution (DC) plan  | 148     | -       |

|                                 |                 |
|---------------------------------|-----------------|
| Annual Covered Payroll (active) | \$9,500,623,000 |
| Annual Pension (retiree)        | \$6,103,296,000 |
| Total Healthcare Cost (retiree) | \$1,188,815,000 |

\*Active member counts include membership in the Defined Contribution (DC) plan.

Sources: 2016 Comprehensive Annual Financial Report (CAFR) for each retirement system, available online at [www.michigan.gov/ors](http://www.michigan.gov/ors), and ORS membership data.

We administer retirement programs that provide our valuable members with a means for a secure future. Our plans help our retirees live independently, rather than relying on family, friends, and governmental assistance.

## Plan Types

- Closed DB plans (for public school and state employees, state police, and judges)
- Open DB plan (Michigan National Guard)
- DC plan
- Hybrid plan
- Deferred Compensation plan

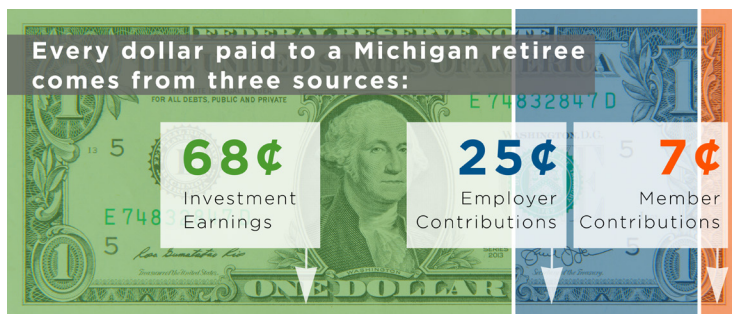
## Additional Benefits

- Death and Disability Benefits
- Health, Dental, Vision, and Prescription Drug Insurance
- Life Insurance
- Long-Term Care Insurance

In 2016, our total  
DB pension  
administration cost  
was **\$36 below** the  
peer average of \$92  
per active member  
and retiree.  
(CEM Benchmarking)

## DB Plan Funding

The systems are funded through a combination of investment earnings and member and employer contributions. The systems' net assets are held in trust to meet future benefit payments.



Nearly 70 percent of the systems' DB plan funding comes from investment earnings.

Source: National Institute on Retirement Security, Pensionomics 2016: Measuring the Economic Impact of DB Pension Expenditures, Michigan (2016) [www.nirsonline.org](http://www.nirsonline.org)



# OUR PLANS

# OUR PLANS BRING **FINANCIAL** AND **SOCIAL** ADVANTAGES

---

## Retiree Spending Ripples Through Michigan's Economy

**Our retirees are one of the major driving economic forces in our communities.**

Michigan retiree expenditures stemming from state and local pension plan benefits supported:

- **77,228** Jobs
- **\$11.1 Billion** in Total Economic Output
- **\$3.5 Billion** in Wages and Salaries
- **\$2.1 Billion** in Federal, State, and Local Tax Revenues

Each dollar paid out in pension benefits supported **\$1.42** in total economic activity in Michigan.

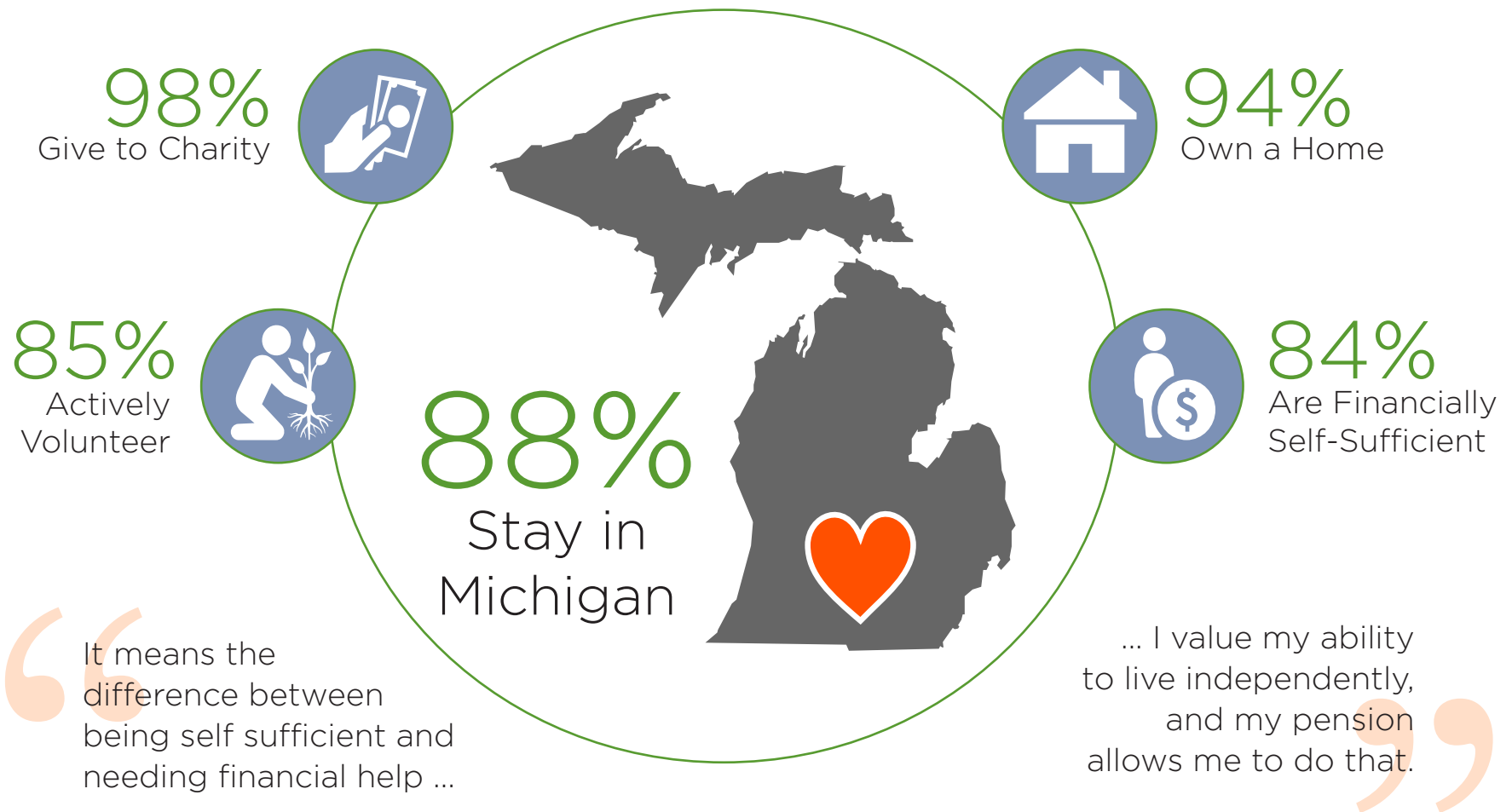
Each dollar “invested” by Michigan taxpayers in these plans supported **\$5.68** in total economic activity in the state.



Source: National Institute on Retirement Security, Pensionomics 2016: Measuring the Economic Impact of DB Pension Expenditures, Michigan (2016) [www.nirsonline.org](http://www.nirsonline.org).



## Pensioners in Michigan



Source: 2014 ORS Retiree Survey



### **Office of Retirement Services**

Department of Technology, Management and Budget  
Kerrie Vanden Bosch, Director

Mailing Address: PO Box 30171, Lansing, MI 48909-7671

Office Location: 530 W. Allegan, Lansing, MI 48933

Phone: 800-381-5111 • Fax: 517-322-1116

[www.michigan.gov/ors](http://www.michigan.gov/ors)

### **Our Purpose**

ORS is an innovative retirement organization driven to empower our customers for a successful today and a secure tomorrow.